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Exhibit R-2, RDT&E Budget Item Justification: PB 2019 Office of the Secretary Of Defense	Date: February 2018
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Appropriation/Budget Activity					R-1 Program Element (Number/Name)							
0400: Research, Development, Test & Evaluation, Defense-Wide / BA 2: Applied Research					PE 0602230D8Z / Defense Technology Innovation							
COST (\$ in Millions)	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
Total Program Element	0.000	9.989	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
835: Defense Technology Innovation	0.000	9.989	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

This program will fund the development of novel leading-edge technologies emerging from high-tech companies that are not traditional defense contractors. These funds will enable the Department to source break through and emerging technologies applicable to the defense mission as identified in the Defense Innovation Unit Experimental (DIUx), or the Components, for potential incorporation into the Department's weapon systems and operational capabilities.

An objective of this program is to obtain innovative ideas from industry that have low technology readiness of high priority to DoD leadership. Incoming proposals will be approved by the Assistant Secretary of Defense, Research and Engineering to ensure alignment with the DoD's strategic objectives and increase our permeability to disruptive change, and strengthen our nation's security.

B. Program Change Summary (\$ in Millions)	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total
Previous President's Budget	30.000	0.000	0.000	-	0.000
Current President's Budget	9.989	0.000	0.000	-	0.000
Total Adjustments	-20.011	0.000	0.000	-	0.000
• Congressional General Reductions	-20.000	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• FFRDC Transfer	-0.011	-	-	-	-

Change Summary Explanation

The DIUx program in this PE and associated funding have been transferred to Washington Headquarters Services (WHS), PE 0603342D8W, beginning in FY 2018.

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Exhibit R-2A, RDT&E Project Justification: PB 2019 Office of the Secretary Of Defense										Date: February 2018		
Appropriation/Budget Activity 0400 / 2					R-1 Program Element (Number/Name) PE 0602230D8Z / <i>Defense Technology Innovation</i>				Project (Number/Name) 835 / <i>Defense Technology Innovation</i>			
COST (\$ in Millions)	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
835: <i>Defense Technology Innovation</i>	0.000	9.989	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2017	FY 2018	FY 2019
Title: Defense Technology Innovation Description: This program will fund the development of novel leading-edge technologies emerging from high-tech companies that are not traditional defense contractors. These funds will enable the Department to source break through and emerging technologies applicable to the defense mission as identified in the Defense Innovation Unit Experimental (DIUx), or the Components, for potential incorporation into the Department's weapon systems and operational capabilities. An objective of this program is to obtain innovative ideas from industry that have low technology readiness of high priority to DoD leadership. Incoming proposals will be approved by the Assistant Secretary of Defense, Research and Engineering to ensure alignment with the DoD's strategic objectives and increase our permeability to disruptive change, and strengthen our nation's security.	9.989	-	-
Accomplishments/Planned Programs Subtotals	9.989	-	-

C. Other Program Funding Summary (\$ in Millions)
N/A

Remarks
N/A

D. Acquisition Strategy
N/A

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Appropriation/Budget Activity 0400 / 2	R-1 Program Element (Number/Name) PE 0602230D8Z / Defense Technology Innovation	Project (Number/Name) 835 / Defense Technology Innovation
E. Performance Metrics N/A		